

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed Emergency After Notice

Pursuant to the authority of Iowa Code section 234.6, the Department of Human Services hereby amends Chapter 170, “Child Care Services,” Iowa Administrative Code.

These amendments revise Chapter 170 to reflect new federal Child Care and Development Block Grant (CCDBG) rules regarding child care assistance eligibility. The amendments make the following changes:

- Allow for 12-month certification instead of 6-month certification.
- Establish new exit eligibility criteria for families with income exceeding 145 percent of the federal poverty level (FPL).
 - Expand the period for job search from 1 month to 3 months for families who experience a temporary change in employment or education.
 - Allow for assistance to continue for 12 months regardless of temporary changes.
 - Provide that family assistance may only be canceled after a nontemporary change (after 3-month job search period).
- Add a family resource/asset limit of \$1 million.
- Change the provider rate table to add higher rates for Quality Rating System (QRS) Level 5 providers.

These amendments also allow payments to out-of-state providers without the need for the family to request an exception to policy.

Families receiving assistance will get annual eligibility certifications. Families will be able to keep child care benefits during temporary breaks in employment or education. By utilizing the new exit eligibility criteria, families will also be able to keep child care benefits if their income exceeds program limits. Child care providers who are participating in QRS and are rated at Level 5 will be reimbursed at a higher rate than other providers.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 2462C** on March 16, 2016. The Department received no comments during the public comment period. These amendments are identical to those published under Notice of Intended Action.

The Council on Human Services adopted these amendments on May 11, 2016.

Pursuant to Iowa Code section 17A.5(2)“b”(1)(b), the Department finds that the normal effective date of these amendments, 35 days after publication, should be waived and the amendments made effective July 1, 2016, because the amendments confer a benefit on the public. These amendments increase eligibility levels for participants and increase provider reimbursement amounts. These amendments are also federally mandated by the reauthorization of the CCDBG (42 U.S.C. 9858).

These amendments do not provide for waivers in specified situations because requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 234.6 and the Child Care and Development Block Grant (42 U.S.C. 9858).

These amendments will become effective July 1, 2016.

The following amendments are adopted.

ITEM 1. Amend rule **441—170.1(237A)**, definition of “Child with special needs,” as follows:

“*Child with special needs*” means a child with one or more of the following conditions:

1. No change.
2. The child has been determined by a qualified ~~mental-retardation~~ intellectual disability professional to have a condition which impairs the child’s intellectual and social functioning.
3. No change.

ITEM 2. Amend paragraph **170.2(1)“a”** as follows:

a. *Income limits.* For initial and ongoing eligibility, ~~a an applicant family’s nonexempt gross monthly income as established in paragraph 170.2(1)“c” cannot exceed: the amounts in subparagraphs 170.2(1)“a”(1) to (3).~~ If, at the time of eligibility redetermination as described in subrule 170.3(5), a family’s nonexempt gross monthly income exceeds the limits established in 170.2(1)“a”(1) or (2) but not (3), the family shall remain eligible for an additional 12-month period or until their income exceeds that stated in (3), whichever comes first.

(1) to (3) No change.

ITEM 3. Adopt the following **new** paragraph **170.2(1)“g”**:

g. *Resource limits.* For initial and ongoing eligibility, family resources may not exceed \$1 million.

ITEM 4. Amend paragraph **170.2(2)“a”** as follows:

a. *Age.* Child care shall be provided only to children up to age 13, unless they are children with special needs, in which case child care shall be provided up to age 19. When a child reaches the age of 13, or, as applicable, the age of 19, during the certification period, eligibility shall continue until the end of the approved certification period.

ITEM 5. Amend paragraph **170.2(2)“b”** as follows:

b. *Need for service.* Except for assistance provided under subparagraph 170.2(2)“b”(3), assistance shall be provided to a two-parent family only during the parents’ coinciding hours of participation in training, employment, or job search. Each parent in the household shall meet one or more of the following requirements:

(1) to (3) No change.

(4) The parent is absent from the home due to inpatient hospitalization or outpatient treatment because of physical or mental illness, or is present but due to medical incapacity is unable to care for the child or participate in work or training, as verified by a physician.

1. Eligibility under this paragraph is limited to parents who become medically incapacitated while eligible for child care assistance based on the need criteria in subparagraph 170.2(2)“b”(1) or 170.2(2)“b”(2).

2. Child care assistance shall continue to be available for up to ~~30~~ 90 consecutive days after the parent becomes medically incapacitated. Assistance beyond ~~30~~ 90 days may be approved by the service area manager or designee if extenuating circumstances are verified by a physician.

3. The number of units of service authorized shall be determined as follows:

- For a ~~single-parent~~ single-parent family or for a two-parent family where both parents are incapacitated, the number of units authorized for the period of incapacity shall not exceed the number of units authorized for the family before the onset of incapacity.

- For a two-parent family where only one parent is incapacitated, the units of service authorized shall be based on the need of the parent who is not incapacitated.

(5) The parent is looking for employment. Child care for job search hours shall be limited to only those hours the parent is actually looking for employment including travel time.

1. ~~A~~ For applicants, a job search plan shall be approved by the department and be limited to a maximum of 30 consecutive calendar days in a 12-month period. EXCEPTION: Additional job search hours may be paid for PROMISE JOBS participants if approved by the PROMISE JOBS worker.

2. ~~Documentation of job search contacts shall be furnished to the department. The department may enter into a nonfinancial coordination agreement for information exchange concerning job search documentation.~~ For ongoing participants, job search shall be limited to a maximum of 90 consecutive calendar days.

(6) to (8) No change.

(9) Family eligibility shall continue during an approved certification period when a temporary lapse in need for service for a parent established under this subparagraph occurs. A temporary lapse is defined as a period of not more than 3 consecutive months, and the lapse is due to one or more of the following reasons:

1. Maternity leave.

2. Family Medical Leave Act (FMLA) situations for household members.
3. Participation in a treatment/rehabilitation program.
4. Employment or education/training hours fall below the minimum number required at 170.2(2) “b”(1), (2) or (8).

5. Normal breaks between school terms.

(10) Family eligibility shall be canceled if the lapse in need is not temporary because the family eligibility will continue for more than 3 consecutive months.

ITEM 6. Adopt the following **new** paragraph **170.2(4)“c”**:

c. Exception: Changes in income do not need to be reported during the approved certification period unless the family’s gross monthly income exceeds 85 percent of Iowa’s median family income.

ITEM 7. Amend paragraph **170.3(1)“d”** as follows:

d. Families who are determined eligible for child care assistance shall be approved for a certification period of ~~no longer than six~~ at least 12 months. Families who fail to complete the review and redetermination process as described at subrule 170.3(5) will lose eligibility at the end of the certification period.

ITEM 8. Amend subrule 170.3(5) as follows:

170.3(5) Review and redetermination. The department shall redetermine a family’s financial and general eligibility for child care assistance at least every ~~six~~ 12 months. EXCEPTION: The department shall redetermine only general eligibility for recipients of the family investment program (FIP), persons whose earned income was taken into account in determining the needs of FIP recipients, and parents who have children with protective needs, because these families are deemed financially eligible so long as the FIP eligibility or need for protective services continues.

a. to c. No change.

d. Families who ~~are receiving~~ apply for child care assistance because the parent is seeking employment are not subject to review requirements because eligibility is limited to 30 consecutive calendar days. This waiver of the review requirement applies only when the parent who is seeking employment does not have another need for service.

ITEM 9. Adopt the following **new** paragraph **170.4(3)“c”**:

c. *Out-of-state provider.* A child care provider who is not located in Iowa may be selected by the parent so long as the out-of-state child care provider verifies that the provider meets all of the requirements to be a provider in the state in which the provider operates.

ITEM 10. Amend paragraph **170.4(7)“a”** as follows:

a. *Rate of payment.* The rate of payment for child care services, except for in-home care which shall be paid in accordance with 170.4(7)“d,” shall be the actual rate charged by the provider for a private individual, not to exceed the maximum rates shown below. When a provider does not have a half-day rate in effect, a rate is established by dividing the provider’s declared full-day rate by 2. When a provider has neither a half-day nor a full-day rate, a rate is established by multiplying the provider’s declared hourly rate by 4.5. Payment shall not exceed the rate applicable to the provider and age group in Table I, except for special needs care which shall not exceed the rate applicable to the provider and age group in Table II. To be eligible for the special needs rate, the provider must submit documentation to the child’s service worker that the child needing services has been assessed by a qualified professional and meets the definition for “child with special needs,” and a description of the child’s special needs, including, but not limited to, adaptive equipment, more careful supervision, or special staff training.

Table I Half-Day Rate Ceilings for Basic Care							
Age Group	Child Care Center		Child Development Home Category A or B		Child Development Home Category C		Nonregistered Family Home
	Basic	QRS 5	Basic	QRS 5	Basic	QRS 5	
Infant and Toddler	\$16.78	<u>\$20.50</u>	\$12.98	<u>\$13.75</u>	\$12.44	<u>\$15.00</u>	\$8.19
Preschool	\$13.53	<u>\$17.50</u>	\$12.18	<u>\$13.50</u>	\$12.18	<u>\$13.75</u>	\$7.19
School Age	\$12.18	<u>\$14.75</u>	\$10.82	<u>\$12.50</u>	\$10.82	<u>\$13.00</u>	\$7.36

Table II Half-Day Rate Ceilings for Special Needs Care				
Age Group	Child Care Center	Child Development Home Category A or B	Child Development Home Category C	Nonregistered Family Home
Infant and Toddler	\$51.94	\$17.05	\$13.40	\$10.24
Preschool	\$30.43	\$15.83	\$13.40	\$ 8.99
School Age	\$30.34	\$14.61	\$12.18	\$ 9.20

The following definitions apply in the use of the rate tables:

(1) “Child care center” shall mean those providers as defined in 170.4(3)“~~a.~~” ~~and “g.”~~ “Registered child development home” shall mean those providers as defined in 170.4(3)“~~b.~~” “Nonregistered family child care home” shall mean those providers as defined in 170.4(3)“~~f.~~”“e.”

(2) No change.

(3) “QRS 5” shall mean a provider who has achieved a rating of Level 5 under the quality rating system.

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 6/8/16.